HUDCO Niwas Scheme

3087. SHRI C. RAMACHANDRAIAH: Will the Minister of URBAN AFFAIRS AND EMPLOYMENT be pleased to state:

(a) what are the funds sanctioned/ earmarked by HUDCO for implementation of the HUDCO Niwas Scheme;

(b) whether any survey has been conducted on the potential of HUDCO Niwas Scheme; and

(c) to which economic group the HUDCO Niwas is focussed alongwith details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT (SHRI BANDARU DATTATREYA): (a) HUDCO Niwas Scheme was launched on 8th March, 1999. HUDCO loans sanctioned under this Scheme are demand based and would depend on the demand from individual borrowers.

As on 31.3.99 the number of sanctions was 48 for loan amount of Rs. 201.39 lakh. HUDCO expects that it would be able to meet demand from borrowers. All proposals would be examined and sanctioned according the HUDCO guidelines.

(b) HUDCO had conducted a market survey through a market research agency, before launching the scheme.

(c) The scheme caters to all sections of the society with loans ranging from Rs. 25,000 to Rs. 15 lakh. Salient features of the scheme are given in enclosed statement below.

Statement

HUDCO Niwas Individual Housing Loan Scheme

HUDCO is offering financial assistance to individual families to enable them to acquire a home of their own through its "HUDCO NIWAS" Scheme. "HUDCO NIWAS" offers loan assistance to: (a) Construct or buy a house or flat; (b) Extend or improve the existing house or flats.

Eligibility for Loan and how it is Determined

(a) An applicant must be in service or engaged in any profession or busines with regular income for servicing the loan.

(b) The loan amount will not exceed 85% of the cost of housing unit including incidental costs like stamp duty and registration. The maximum loan amount will be Rs. 15 lacs.

(c) The actual loan amount will be determined on the basis of repayment capacity. Repayment capacity takes into account factors such as income, age, qualifications, number of dependants, spouse's income, assets, liabilities, stability and continuity of occupation and savings history.

Loan Application

(a) An application for loan shall be submitted in any "HUDCO NIWAS" Office in the prescribed form alongwith supporting documents. This form with a list of supporting documents is available at "HUDCO NIWAS" Office.

(b) Proposed owners of the housing unit for which loan is sought will have to be co-applicants. However, all co-applicants need not be co-owners.

Rate of Interest

Loan Amounts (Rs.)	Interest Rate (% p.a.)*
Upto 25,000	11.5
25,000 to 70,000	12.0
70,000 to 1,50,000	13.5
1,50,001 to 3,00,000	14.0
3,00,001 to 5,00,000	14.5
5,00,001 to 8,00,000	15.0
8,00,001 to 15,00,000	15.5

*Rates inclusive of Interest Tax.

Loan Repayment Period

It is normally upto 15 years, but the period will not extend beyond the age of 65 years of the applicant. However, "HUDCO NIWAS" will endeavour to determine the repayment period to suit the convenience of the applicant. Incase the applicant wishes to extend the period of repayment beyond 15 years, it can be extended upto 20 years. However, in such cases, additional interest of 1% p.a. will be charged over and above the rates quoted above.

Security for Loan

Security for the loan is the first mortgage of the housing unit to be financed normally by way of deposit of title deeds and/or such other collateral security as may be necessary. In some cases, interim security may be required. In all cases, the applicant will be required to provide guarantee of two individuals acceptable to "HUDCO NIWAS". In case of Central Government employees, who have already availed of house building advance, "HUDCO NIWAS" may accept second mortgage of the housing unit alongwith assignment of benefits under Central Government Group Insurance Scheme. In case of other employees who have taken house-building advance from their employees, "HUDCO NIWAS" may consider joint mortgage of the housing unit on pari passu basis.

Fee

A processing fees (non-refundable) of 0.5% of the loan amount applied for i.e. Rs. 5/- per Rs. 1,000/- of the loan amount applied for is payable subject to minimum of Rs. 250/-, at the time of submission of application form to "HUDCO NIWAS". (a) On sanction of a loan, the loan offer is made to the applicant, (b) On acceptance of the offer, one time administrative fees of 1% of the amount of loan sanctioned is payable. In case the applicant is handicapped or is a widow, the processing fees will be 0.4% of the loan amount applied for and administrative fee will be 0.8% of the loan amount sanctioned.

Loan Repayment

Loan will be repayable in Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance method. The monthly instalment depends on quantum of loan, interest rate applicable and the term of repayment of the loan. The sample of various EMI's is given in the table below:—

EDMI for a Loan of Rs. 10,000/-

Terms of loan									(Interest per annum)
Years	11.5%	12%	12.5%	13%	13.5%	14.%	14.5%	15.%	15.5%
5	220	222	225	228	230	233	235	238	241
10	141	143	146	149	152	155	158	161	164
15	117	120	123	127	130	133	137	140	143

Repayment by way of EMI commences from the month following the month in which the last instalment of the loan is disbursed by the "HUDCO NIWAS". Until the loan is fully disbursed, pre-EMI interest is payable only on the portion of the loan availed as on the last day of every month. Repayment of loan ahead of schedule will be acceptable without any charges/penalty.

Disbursement of the Loan

The loan will be disbursed after a full technical appraisal has been made and on completion of all legal documentation and after investment of the applicant's own contribution in full. Own contribution is the total cost of the housing unit loss the loan from "HUDCO NIWAS". The loan will be disbursed in full or in suitable instalements taking into account the requirment of the funds and progress of the construction.

Other Attractive Features

(a) Free personal accident insurance to cover the loan amount.

(b) Free insurance for house or flat proposed to be acquired/constructed against the risks of the fire and natural calamities.

(c) No charges for repayment of loan ahead of schedule.

(d) Waiver of last two monthly instalments provided all instalments were received as per schedule without delay.

(e) Priority will be given in processing housing loan applications for the subscribers of HUDCO's Public Deposit Scheme.

(f) Free counselling by Building Material and Technology Wing of HUDCO on selection of cost effective and environment friendly building materials, technologies etc.

(g) Free counselling by Design Wing of HUDCO of design aspects suggesting various options in designing including interiors.

(h) Guidance to facilitate completion of legal formalities, leading to quick disbursal of loan.

(i) Construction options using cost effective methods will also be provided by availing the services of trained professionals and through Building Centres, Mirmithi Kendras.

Industry Status to the Housing Sector

3088. SHRI C. RAMACHANDRAIAH: Will the Minister of URBAN AFFAIRS AND EMPLOYMENT be pleased to state:

(a) whether Government propose to grant the status of industry to the housing and construction sector;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the steps proposed by Government to increase the use of latest techniques like pre-fabricated housing technology in the country?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT (SHRI BANDARU DATTATREYA): (a) No, Sir.

(b) Does not arise.

(c) The National Housing & Habitate Policy, 1998, since approved by the Government and laid on the Tables of Lok & Rajya Sabha on 29.7.98, proposes adequate steps for the augmentation of housing stock. The Government is taking steps to ensure the smoother flow of housing finance by removal of constraints through legal reforms, provision of fiscal incentives and through propagation of appropriate cost effective and environment friendly technology.

(d) Government is taking several steps to promote latest construction techniques including pre-fabricated technology to improve speed and reduce cost of housing construction. The National Housing & Habitate Policy, 1998 lays emphasis on promoting innovative construction